(b) The international prices of crude oil and petroleum products decisively impact the domestic prices. With a view to containing the burden of the increase in international prices on consumers of the sensitive petroleum products, it was decided that the burden should be equitably shared by consumers, the Government and oil companies. Government for its part, have reduced the duties on sensitive products effective 19-8-2004 and subsequently in the current budget. The Oil marketing Companies (OMCs), in accordance with administrative instructions, have been modulating the impact of high oil prices on domestic retail prices of sensitive products. This has resulted in huge under-recoveries to OMCs in previous years and even cost losses in the first quarter of this year.

Government are constantly monitoring/reviewing the pricing of sensitive petroleum products namely petrol, diesel, kerosene and LPG, taking into account the interests of all stakeholders, including OMCs.

Transportation of gas from Myanmar

916. SHRI ANAND SHARMA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether a final agreement has been reached with Myanmar for the laying of proposed pipeline for the transportation of gas; and

(b) if so, the details of the agreement and the proposed date of commencement of work?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) Minister (P&NG) had visited Myanmar in January 2005 and participated in the trilateral Ministerial meeting between the Oil Ministers of Bangladesh, Myanmar and India. In pursuance of the decisions taken at that meeting, a Techno-Commercial Working committee (TCWC) of the representatives of the three countries was constituted. The first Meeting of the TCWC was held on 24-25 February 2005 in Yangon. The TCWC prepared a draft MoU proposed to be signed by the three oil Ministers after approval of their respective Governments. However, as Bangladesh has insisted on including references to certain bilateral issues in the draft trilateral MoU, the finalization of the MoU has been delayed. Outstanding issues relating to the draft MoU continue to be under consideration of both Governments even as we are exploring other options of importing natural gas from Myanmar.